

Message Text

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ACTION EUR-12

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INFO ALL NATO CAPITALS PRIORITY 4939

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USCINCEUR PRIORITY

USLOSACLANT PRIORITY

USDOCOSOUTH PRIORITY

CINCUSAREUR PRIORITY

CINCUSAFE PRIORITY

CINCUSNAVEUR PRIORITY

CINCLANT PRIORITY

C O N F I D E N T I A L SECTION 1 OF 2 USNATO 523

E.O. 11652: GDS

TAGS: MARR NATO

SUBJECT: INFRASTRUCTURE ASPECTS OF GREEK WITHDRAWAL (DPC

ITEM I, 30 JAN 75)

REFS: A. STATE 020857

B. STATE 012818

C. STATE 214488

SUMMARY. DPC DISCUSSION FELL GENERALLY INTO TWO PARTS - GUIDANCE TO INFRASTRUCTURE COMMITTEES PROPOSED IN PO/75/1 AND APPROVAL OF SLICE XXV. ACTION ON GUIDANCE DEFERRED PENDING SYG APPROACH TO GREEK AMBASSADOR ON FUNDING ISSUES. SLICE XXV APPROVED SUBJECT UK AND CANADIAN CONFIRMATION. ON GUIDANCE ISSUED, CANADA AND UK WANTED ADDITIONAL PROTECTION AGAINST GREEK USE OF NATO FUNDS ON PROJECTS AUTHORIZED BUT NOT YET UNDER CONFIDENTIAL

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CONTRACT. TURKS WENT TO POINT OF DEMANDING CANCELLATION OF WORKS WHERE POSSIBLE WITHOUT DAMAGE TO NATO INTERESTS. OTHERS COULD AGREE TO PO OR HAD MINOR AMENDMENTS. DPC INVITED SYG TO DISCUSS QUESTION OF UNCOMMITTED FUNDS WITH GREEK AMBASSADOR.

END SUMMARY.

1. SYG INTRODUCED PO/75/1 WITH COMMENT THAT HE UNDERSTOOD GREEK DELEGATION EXPECTED FURTHER INSTRUCTIONS ON PROCEDURES FOR NEGOTIATION OF THEIR FUTURE RELATIONSHIP WITH NATO. HE SAID THAT DPC MUST THEREFORE WAIT BEFORE TAKING FRESH INITIATIVES AND THAT GENERAL DISCUSSION IN THIS MEETING BEYOND IMMEDIATE ISSUE WOULD NOT BE USEFUL ALTHOUGH PREPARATORY WORK BY INTERNATIONAL STAFF MUST CONTINUE. HE THEN SUMMARIZED POINTS IN PO/75/1 AND ASKED FOR REACTIONS.

2. MENZIES (CANADA) SAID HE RECOGNIZED DELICACY OF PENDING NEGOTIATIONS WITH GREEKS AND DID NOT WANT TO TAKE ACTION WHICH WOULD PREJUDICE A FAVORABLE OUTCOME. HIS AUTHORITIES FELT THAT GREEKS HAVE SIMILAR OBLIGATIONS TO NATO AND SHOULD THEREFORE NOT CREATE UNNECESSARY DELAY IN NEGOTIATIONS. HE FELT, HOWEVER, THAT CANADA MUST PROPOSE A CHANGE IN LANGUAGE OF PARA 3(A) OF PO SO THAT IT WOULD READ QUOTE PROJECTS LOCATED IN GREECE WHICH WERE AUTHORIZED AND FOR WHICH FUNDS WERE COMMITTED, PRIOR TO 28TH AUGUST 1974 SHOULD CONTINUE TO BE FUNDED; END OF QUOTE. MENZIES DESCRIBED THIS AS QUOTE JUST GOOD BUSINESS ETHICS. END OF QUOTE. HE CITED THE EXAMPLE OF THE WITHDRAWAL OF FRANCE FROM NATO WHERE WE HAD EVEN EXAMINED CONTRACTS ALREADY LET FOR POSSIBLE CANCELLATION.

3. SYG, SAID HE WAS SYMPATHETIC TO CANADIAN POSITION AND OFFERED TO DISCUSS IT WITH THEODORPOOULOS (GREECE). LOGAN (UK CHARGE) JOINED CANADIANS ON THIS POINT. ASYG FOR DEFENSE SUPPORT (TUCKER) THEN INTERVENED TO POINT OUT THAT DETAILED INFORMATION ON FUNDS COMMITTED AND EXPENDED WAS ONLY MADE AVAILABLE TO NATO BY HOST COUNTRIES SEMI-ANNUALLY, AND THAT LATEST DATA ARE AS OF 30 JUNE 1974. IF ALLIES NEEDED THIS INFORMATION FOR PURPOSES OF PO, NATO WOULD HAVE TO ASK GREEKS TO PRODUCE NECESSARY DATA. SYG NEVERTHELESS SAID HE WOULD ASK GREEKS FOR LIST OF CONTRACTS AND DATES SIGNED.

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4. BRUCE (US) EXPRESSED CONCERN ABOUT POSSIBILITY THAT ANY CONVERSATION BETWEEN SYG AND THEODOROPOULOS ON QUESTION OF COMMITTED FUNDS COULD VERY EASILY LEAD TO QUOTE BROADER NEGOTIATIONS UNQUOTE. HE SUGGESTED THAT THESE FINANCIAL QUESTIONS BE REMANDED TO THE INFRASTRUCTURE COMMITTEE WHERE COLLECTION AND ANALYSIS OF DATA WOULD BE HANDLED MORE ROUTINELY. MENZIES OBJECTED THAT THIS WOULD DELAY SLICE XXV, BU SYG RESPONDED WITH HELPFUL OBSERVATION THAT QUESTIONS POSED BY CANADA AND UK DEALT WITH PAST SLICES AND SHOULD NOT PREVENT AGREEMENT ON SLICE XXV.

5. BUWALDA (NETHERLANDS) THEN MADE WELCOME STATEMENT ON BEHALF OF MODERATION. HE SAID THAT THEY COULD ACCEPT CANADIAN

LANGUAGE BUT THAT THEY TOOK A SLIGHTLY DIFFERENT POINT OF DEPARTURE. HIS AUTHORITIES FELT THAT MAINTENANCE OF NATO FACILITIES IN GREECE SHOULD BE ENCOURAGED AND EVEN INCREASED. NATO NEEDED A DECISION APPROPRIATE TO THAT OBJECTIVE, AND PO SEEMED TO PROVIDE IT. HOWEVER, WITH REGARD TO PARA 3. A(B) (QUOTE NO FURTHER PROJECTS LOCATED IN GREECE SHOULD BE AUTHORIZED; UNQUOTE), HE WONDERED WHETHER A DECISION WAS NECESSARY AT THIS TIME. HE PROPOSED INSTEAD CASE-BY-CASE TREATMENT BY DPC ITSELF. GON ALSO FELT IT WAS NOT NECESSARY TO DEMAND FROM GREEKS ASSURANCE THAT QUOTE PROJECTS FOR WHICH FUNDING WILL BE CONTINUED, WILL CONTINUE TO BE AVAILABLE FOR THEIR ORIGINAL NATO PURPOSE UNQUOTE (PARA 4). THE HAGUE AGREED WITH THE POINT BUT FELT IT COULD FORCE GREEKS INTO UNNECESSARILY DIFFICULT POSITION. BUWALDA PROPOSED INSTEAD THAT DPC SIMPLY SAY QUOTE NATO INFRASTRUCTURE PROCEDURES WILL CONTINUE TO APPLY UNQUOTE.

6. LOGAN ARGUED THAT IT WOULD BE WRONG TO AUTHORIZE ANY NEW PROJECTS UNTIL GREEKS PROVIDED ASSURANCE AS PROPOSED IN PARA 4 OF PO. WITH REGARD TO PARAGRAPHS 3.A (B) AND (C), HE SAW NO REASON TO DEPART FROM PROCEDURE ALREADY BEING FOLLOWED BY P&P COMMITTEE. HE WAS CONCERNED ABOUT APPROVAL OF SLICE XXV BECAUSE IF ANY PROJECTS WERE CANCELLED, GREEKS WOULD GET ACCESS TO 2 PCT PLANNING FUNDS WITHOUT ANY WORK HAVING BEEN DONE. HE THEREFORE PREFERRED TO SEE SLICE XXV APPROVAL WITHOUT GREEK PROJECTS. (MISSION COMMENT: PLANNING FUNDS CAN ONLY BE CLAIMED FOR ACTUAL WORK IN PREPARATION OF COST ESTIMATE.)

7. ERALP (TURKEY) THEN REPORTED WHAT HE DESCRIBED AS CONFIDENTIAL

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QUOTE BRIEFBUT SPECIFIC INSTRUCTIONS UNQUOTE.

TEXT OF ERALP STATEMENT FOLLOWS:

BEGIN TEXT.

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INFO OCT-01 ISO-00 EURE-00 CIAE-00 PM-03 INR-07 L-02

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TO SECSTATE WASHDC PRIORITY 9857
SECDEF WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 2 OF 2 USNATO 523

1. NATO COMMON INFRASTRUCTURE PROJECTS ARE INTENDED TO MEET THE MINIMUM MILITARY REQUIREMENTS OF THE ALLIANCE AND IN THE IMPLEMENTATION OF THESE PROJECTS COMMON USE IS THE PRINCIPLE.

2. A) ACCORDINGLY, NO PAYMENT AUTHORIZATION SHOULD BE GIVEN BY THE COMMITTEES CONCERNED FOR PROJECTS WHICH HAD NOT RECEIVED AUTHORIZATION UP TO THE 28TH OF AUGUST 1974 WHEN GREECE DECLARED ITS INTENTION TO WITHDRAW FROM NATO MILITARY INTEGRATION.

B) NO PAYMENTS SHOULD BE MADE FROM THE NATO INFRASTRUCTURE FUND FOR PROJECTS WHICH HAVE RECEIVED AUTHORIZATION PRIOR TO 28TH AUGUST 1974 INCLUDING THOSE

I) FOR WHICH THE CONTRACT HAS YET NOT BEEN SIGNED,
II) THOSE ON WHICH, ALTHOUGH THE CONTRACT HAS BEEN SIGNED, NO WORK HAS IN FACT BEEN STARTED, AND
III) THOSE WHICH, ALTHOUGH CONSTRUCTION IS AT A FORWARD STAGE, THE ABANDONMENT OF THE PROJECT WOULD NOT NECESSARILY BE CONFIDENTIAL

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DETRIMENTAL TO NATO INTERESTS.

C) FOR PROJECTS MENTIONED UNDER (B) ABOVE NO ADDITIONAL AUTHORIZATION OF PAYMENT SHOULD BE MADE AND NO DEMAND BASED ON COST OVERRUN SHOULD BE MET.

D) NO PAYMENT AUTHORIZATION SHOULD BE MADE AND, IF AUTHORIZATION HAS BEEN GIVEN, NO PAYMENTS SHOULD BE MADE FOR ANY PROJECT AFTER 28 AUG 74.

E) FOR PORTIONS IN GREECE OF ACE PROJECTS A SPECIAL FORMULA SHOULD BE WORKED OUT.

F) ON SLICE XXV, THE SECRETARY GENERAL'S PROPOSAL IS ACCEPTABLE TO THE EXTENT THAT THEY COMPLY WITH THE ABOVE CONDITIONS. END TEXT.

SYG RESPONDED RATHER SHARPLY TO ERALP'S INTERVENTION BY SAYING THAT TURKISH POSITION WOULD BRING NATO NEARER TO POINT AT WHICH QUOTE WE WOULD ACTUALLY DRIVE THE STAKE INTO THE HEART UNQUOTE OF THE GREEKS. HE APPEALED TO ERALP TO EXPLAIN TO HIS AUTHORITIES THAT CANCELLATION OF WORKS UNDER CONTRACT OR ALREADY STARTED WOULD BY DEFINITION BE DISADVANTAGEOUS TO NATO BECAUSE THOSE WORKS HAD ALREADY BEEN JUDGED AS ESSENTIAL BY DPC PROGRAMMING ACTION.

8. CATALANO (ITALY) BALANCED TURK POSITION BY SUPPORTING MODERATE DUTCH VIEW, ADDING THAT HE BELIEVED GOG HAS NOT YET DECIDED WHAT IT WILL DO AND THAT NATO SHOULD TEND TOWARD MORE RATHER THAN LESS FLEXIBILITY. HE PREFERRED TO TAKE PARA 3.A(A) AS IS AND CHANGE IT LATER IF NECESSARY. SYG TOOK THE SUGGESTION AND SAID HE COULD TALK WITH GREEK AMBASSADOR WITHOUT IMMEDIATE CHANGE IN LANGUAGE. THERE FOLLOWED BRIEF EXCHANGE BETWEEN ERALP AND SYG IN WHICH ERALP REPEATED POSITION THAT QUOTE NATO INTEREST IS COMMON USER INTEREST UNQUOTE AND IF THAT COULD BE GUARANTEED HE MIGHT BE ABLE TO AGREE TO PO AND SLICE XXV.

9. BRUCE THEN POINTED OUT THAT HE WAS AUTHORIZED TO APPROVE PO BUT WAS NOT AUTHORIZED TO APPROVE ALTERNATIVE TEXTS, PARTICULARLY MAJOR CHANGES AS THOSE PROPOSED. HE ASKED TO BE PROVIDED TEXTS OF ERALP'S STATEMENT (PARA 7 ABOVE) AND BUWALDA'S COMMENTS.

10. SYG THEN MOVED ON TO DISCUSSION OF SLICE XXV, POINTED OUT IT HAD BEEN UNANIMOUSLY APPROVED AT INFRASTRUCTURE COMMITTEE
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LEVEL AND THAT FURTHER DELAY WOULD NOT ONLY BLOCK PRIORITY PROJECTS BUT WOULD ALSO INCREASE COSTS. HE AGAIN STATED HIS INTENTION TO DISCUSS PARA 2 OF PO WITH GREEK AMBASSADOR.

11. MENZIES SAID HE HAD RECOMMENDED APPROVAL TO OTTAWA, BUT THAT AUTHORIZATION OF FUNDS TO COVER THIS EXTENSION OF THE ORIGINAL PROGRAM FOR 1970-74 HAD TO BE APPROVED BY MINISTRIES, AND HE WOULD HAVE TO MAKE AGREEMENT SUBJECT TO CONFIRMATION. LOGAN WAS STILL WORRIED ABOUT APPROVING SLICE XXV WITH GREEK PROJECTS IN IT BECAUSE OF 2 PCT ISSUE AND MADE HIS AGREEMENT SUBJECT TO CONFIRMATION.

12. IN RESPONSE TO CANADIAN REFERENCE TO PROCEDURES ADOPTED DURING FRENCH WITHDRAWAL, SYG OBSERVED THAT THERE IS A BIG DIFFERENCE BETWEEN FRENCH AND GREEK CASES. DE STAERCKE (BELGIUM), WHO HAD BEEN CHAIRMAN OF FOURTEEN DURING THAT PERIOD, ADDED THAT PROBLEM WITH FRANCE WAS SIMPLY LIQUIDATION OF NATO INTERESTS IN FRANCE IN CONTEXT OF A KNOWN SITUATION. IF WE APPLIED SAME PROCEDURE TO GREECE, IT WOULD CRYSTALLIZE PRECISELY THE SITUATION WHICH NATO HAS TRIED TO AVOID. HE WARNED THAT ALLIES SHOULD NOT BE TOO RIGID.
BRUCE

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